


# **EXHIBIT 1**

1. Shipbroker <b>Lorentzen &amp; Stemoco AS, Lilleakerveien 4, 0238 Oslo, Norway</b>		<b>BIMCO STANDARD BAREBOAT CHARTER</b> <b>CODE NAME: "BARECON 2001"</b>		
		2. Place and date <b>12<sup>th</sup> of April 2010</b>		
3. Owners/Place of business (CL 1) <b>Iron Pasha Inc.</b>		4. Bareboat Charterers/Place of business (CL 1) <b>Shanghai Grand China Shipping Development Co., Ltd., or nominee Hong Kong Chain Glory Shipping Co., Ltd., always guaranteed by Grand China Logistics Holding (Group).</b>		
5. Vessel's name, call sign and flag (CL 1 and 3) <b>MV SWS N/B Hull no. 1146 - TBN/GCL Argentina</b>				
6. Type of Vessel <b>Bulk Carrier</b>		7. GT/NT		
8. When/Where built <b>Oct 2010 - Shanghai Waigaoqiao Shipbuilding (SWS)</b>		9. Total DWT (nbt.) in metric tons on summer freeboard <b>Approx. 177,000 dwt</b>		
10. Classification Society (CL 3) <b>ABS</b>		11. Date of last special survey by the Vessel's classification society <b>N/A</b>		
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to CL 3) <b>Attached "SWS Cape GA" and "SWS Cape particular DA"</b>				
13. Port or Place of delivery (CL 4) <b>Ex. yard Shanghai Waigaoqiao Shipbuilding (SWS)</b>		14. Time for delivery (CL 4) <b>1<sup>st</sup> September 2010 - 31<sup>st</sup> December 2010. Intended delivery October 2010. Owners shall narrow laycan to 15 days spread 60 days prior to the first layday.</b>		15. Cancelling date (CL 5) <b>31<sup>st</sup> December 2010</b>
16. Port or Place of redelivery (CL 15) <b>DLOSP one safe port, berth or anchorage WW in Charterers option with usual exclusions</b>		17. No. of months' validity of trading and class certificates upon redelivery (CL 15) <b>SS/DD passed maximum within 6 months prior to redelivery</b>		
18. Running days' notice if other than stated in CL 4 <b>60 / 45 / 30 / 15 tentative and 10 / 7 / 5 / 3 / 2 / 1 days definite notice of delivery.</b>		19. Frequency of dry-docking (CL 10(a)) <b>AS required by class without extensions</b>		
20. Trading limits (CL 6) <b>World Wide, excluding Cambodia, Cuba, Lebanon, Gulf of Aqaba, Namibia, North Korea, Haiti, all war risk and war like zones and other areas/countries prohibited by the flag of the vessel and The United Nations without prior consent which shall not be unreasonably withheld. The Vessel not to trade in ice, break ice nor follow ice breakers in ice</b>				
21. Charter period (CL 2) <b>About 5 years firm +/- 60 days in Charterer's option</b>		22. Charter hire (CL 11) <b>US\$ 19,800.00 (US Dollars Nineteen Thousand Eight Hundred) daily, payable every 15 days in advance.</b>		
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(CL 10(a)(ii)) <b>10%</b>				

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**"BARECON 2001" STANDARD BAREBOAT CHARTER**

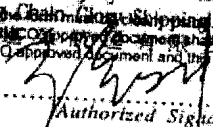
PART I

24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to <b>PART IV</b> <b>As per Clause 10 F</b>	25. Currency and method of payment (Cl. 11) <b>US Dollars and Telegraphic Transfer</b>
26. Place of payment; also state beneficiary and bank account (Cl. 11) <b>TBA</b>	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) <b>Corporate Guarantee to be attached to the BBCHP</b>
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) <b>Piraeus Bank Greece</b>	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) <b>US\$ 81,000,000 (US Dollars Eighty One Million Only)</b>
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b)) or, if applicable, Cl. 14(g)) <b>At Owners discretion</b>	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b)) or, if applicable, Cl. 14(g)) <b>At Charterer's discretion</b>
32. Latent defects (only to be filled in if period other than stated in Cl. 3) <b>N/A</b>	33. Brokerage commission and to whom payable (Cl. 27) <b>1,5 % to Lorentzen &amp; Stemoco AS for division, payable by Owners</b>
34. Grace period (state number of clear banking days) (Cl. 28) <b>Five (5) working days</b>	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30)) <b>30 a</b>
36. War cancellation (Indicate countries agreed) (Cl. 26(f)) <b>UK, USA, Russia, China</b>	
37. Newbuilding Vessel (Indicate with "yes" or "no" whether PART III applies) (optional) <b>Yes, but not apply Part III, Part II Cl 3, Cl 4, Cl 5 apply</b>	38. Name and place of Builders (only to be filled in if PART III applies) <b>Shanghai Waigaoqiao Shipbuilding Co., Ltd., China</b>
39. Vessel's Yard Building No. (only to be filled in if PART III applies) <b>Hull 1146</b>	40. Date of Building Contract (only to be filled in if PART III applies) <b>N/A</b>
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) Charterers b) Owners c)	
42. Hire/Purchase agreement (Indicate with "yes" or "no" whether PART IV applies) (optional) <b>No</b>	43. Bareboat Charter Registry (Indicate with "yes" or "no" whether PART V applies) (optional) <b>No</b>
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) <b>N/A</b>	45. Country of the Underlying Registry (only to be filled in if PART V applies) <b>N/A</b>
46. Number of additional clauses covering special provisions, if agreed	

**PREAMBLE** - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) 	Signature (Charterers) 
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For and on behalf of  
  
 Authorized Signature(s)

**PART II**  
**"BARECON 2001" Standard Bareboat Charter**

<b>1. Definitions</b>	1		
In this Charter, the following terms shall have the meanings hereby assigned to them:	2		
"The Owners" shall mean the party identified in <u>Box 3</u> ;	3		
"The Charterers" shall mean the party identified in <u>Box 4</u> ;	4		
"The Vessel" shall mean the vessel named in <u>Box 5</u> and with particulars as stated in <u>Boxes 6 to 12</u> ;	5		
"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in <u>Box 28</u> .	6		
<b>2. Charter Period</b>	7		
In consideration of the hire detailed in <u>Box 22</u> , the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in <u>Box 21</u> ("The Charter Period").	8		
<b>3. Delivery</b>	9		
(not applicable when Part III applies, as indicated in <u>Box 37</u> )	10		
(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy And in every respect ready in hull, machinery and equipment for service under this Charter.	11		
The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in <u>Box 13</u> in such ready safe berth as the Charterers may direct.	12		
(b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag State indicated in <u>Box 5</u> and the requirements of the classification society stated in <u>Box 10</u> . The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in <u>Box 12</u> .	13		
(c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this <u>Clause 3</u> , and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in <u>Box 32</u> .	14		
<b>4. Time for Delivery</b>	15		
(not applicable when Part III applies, as indicated in <u>Box 37</u> )	16		
The Vessel shall not be delivered before the date indicated in <u>Box 14</u> without the Charterers' consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in <u>Box 15</u> . Unless otherwise agreed in <u>Box 18</u> , the Owners shall give the Charterers not less than thirty (30) running days' preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is expected to be ready for delivery.	17		
The Owners shall keep the Charterers closely advised of possible changes in the Vessel's position.	18		
<b>5. Cancelling</b>	19		
(not applicable when Part III applies, as indicated in <u>Box 37</u> )	20		
(a) Should the Vessel not be delivered latest by the cancelling date indicated in <u>Box 15</u> , the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in <u>Box 15</u> , failing which this Charter shall remain in full force and effect.	21		
(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in <u>Box 15</u> for the purpose of this <u>Clause 5</u> .	22		
(c) Cancellation under this <u>Clause 5</u> shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.	23		
<b>6. Trading Restrictions</b>	24		
The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in <u>Box 20</u> .	25		
The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe. When required by Owner, The Charterers shall keep the Owners and Mortgagees advised on intended employment on Vessel.	26		
The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.	27		
Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.	28		
<b>7. Surveys on Delivery and Redelivery</b>	29		
(not applicable when Part III applies, as indicated in <u>Box 37</u> )	30		
The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.	31		
<b>8. Inspection</b>	32		
The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf:	33		
(a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;	34		
(b) in dry-dock if the Charterers have not dry-docked her in accordance with <u>Clause 10(a)</u> . The costs and fees for such inspection or survey shall be paid by the Charterers; and	35		
(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.	36		

**PART II**  
**"BARECON 2001" Standard Bareboat Charter**

All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.	144	or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.	205
The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.	145		206
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Charterers will pay for cost of repairs and any compensation taken from yard will be passed to Charterer (back to back with shipyard guarantee)		The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.	213
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be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.	276 277 278 279 280 281	acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld. Charterers will sign a tripartite agreement with Owners and Owners Bank.	347 348 349 350 351 352 353 354
(g) <u>Periodical Dry Docking</u> - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag State.	282 283 284 285 286 287 288 289	*) (Optional, <u>Clauses 12(a) and 12(b)</u> are alternatives; indicate alternative agreed in Box 28).	355 356
<b>11. Hire</b>		<b>13. Insurance and Repairs</b>	
(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.	290 291 292 293	(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and The Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.	357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380
(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable not later than every thirty (30) fifteen (15) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.	294 295 296 297 298 299 300	The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	381 382 383 384 385 386
(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.	301 302 303	All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.	387 388 389 390
(d) Final payment of hire, if for a period of less than thirty (30) fifteen (15) running days, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.	304 305 306 307 308	(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	391 392 393 394 395 396 397 398 399 400
(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.	309 310 311 312 313 314 315	(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.	401 402 403 404
(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If Box 24 has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.	316 317 318 319 320 321 322	(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.	405 406 407 408 409 410 411 412 413 414 415 416
(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.	323 324 325 326 327	(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the	417 418 419
<b>12. Mortgage</b>			
(only to apply if Box 28 has been appropriately filled in)	328		
*) (a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	329 330 331 332 333		
*) (b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to	334 335 336 337 338 339 340 341 342 343 344 345 346		

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Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.	566	Passengers and their Luggage by Sea, 1874, and any protocol thereto.	637
Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.	567	<sup>*)</sup> Delete as applicable.	638
(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.	568		639
In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.	569	<b>24. Bank Guarantee</b>	640
	570	(Optional, only to apply if Box 27 filled in)	641
	571	The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27, as guarantee for full performance of their obligations under this Charter. Corporate Guarantee to be attached to the BBCHP.	642
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	577	<b>25. Requisition/Acquisition</b>	648
	578	(a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the "Requisition for Hire" whichever be the shorter. The hire under this Charter shall be payable to Owners from the same time requisition hire is payable to Charterers.	649
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<b>18. Lien</b>	587	(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition".	658
The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.	588		659
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<b>19. Salvage</b>	594		665
All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.	595		666
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<b>20. Wreck Removal</b>	599		670
In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.	600		671
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<b>21. General Average</b>	606		677
The Owners shall not contribute to General Average.	607		678
<b>22. Assignment, Sub-Charter and Sale</b>	608		679
(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.	609		680
(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter.	610		681
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<b>23. Contracts of Carriage</b>	619		690
<sup>*)</sup> (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade, if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.	620		691
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<sup>*)</sup> (b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade, if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of	629		700
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**PART II**  
**"BARECON 2001" Standard Bareboat Charter**

pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation,	706	(a) <b>Charterers' Default</b>	779
(d) if the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.	707	The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:	780
(e) The Charterers shall have the liberty:	708	(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual.	781
(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;	709	Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;	782
(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;	710	(ii) the Charterers fail to comply with the requirements of:	783
(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.	711	(1) Clause 8 (Trading Restrictions)	784
(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in Box 38, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarré under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.	712	(2) Clause 13(a) (Insurance and Repairs)	785
27. Commission	713	provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;	786
The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.	714	(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 13(a)(ii) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.	787
If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.	715	(b) <b>Owners' Default</b>	788
28. Termination	716	if the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.	789
	717	(c) <b>Loss of Vessel</b>	790
	718	This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	791
	719	(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	792
	720	(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.	793
	721	29. <b>Repossession</b>	794
	722	In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28.	795
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**PART II**  
**"BARECON 2001" Standard Bareboat Charter**

- the Owners shall have the right to repossess the Vessel at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.
30. **Dispute Resolution**
- <sup>\*)</sup> (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause. The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced. The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator. In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
- <sup>\*)</sup> (b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc. In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.
- <sup>\*)</sup> (c) This Contract shall be governed by and construed
- in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.
- (d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract. In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-
- (i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.
- (ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.
- (iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.
- (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.
- (v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.
- (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.
- (vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.
- (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)
- (e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.
- <sup>\*)</sup> Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35
31. **Notices**
- (a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.
- (b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

## OPTIONAL PART

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**"BARECON 2001" Standard Bareboat Charter****PART IV  
HIRE/PURCHASE AGREEMENT***(Optional, only to apply if expressly agreed and stated in Box 42)***OPTIONAL  
PART**

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.	1 2 3 4 5 6 7	In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.	28 29 30 31 32 33 34
In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.	8 9	The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.	35 36 37 38
The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.	10 11	The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.	39 40 41
The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.	12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.	42 43 44 45 46 47 48
		The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.	49 50 51 52 53

**"BARECON 2001" Standard Bareboat Charter****OPTIONAL  
PART****PART V****PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY**  
(Optional, only to apply if expressly agreed and stated in Box 43)**1. Definitions**

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

The Bareboat Charter Registry shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter;

The Underlying Registry shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

**2. Mortgage**

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

**3. Termination of Charter by Default**

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45. In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

**RIDER CLAUSES TO BB CHARTER OF M/V 'GCL ARGENTINA'**

**1. Cancellation of bareboat charter**

Owners during this Charter have the right to sell the Vessel to a third party at any time hereunder with the following conditions:

- (a) Sale of the Vessel to third party shall by no means affect the continuation of this Charter and the new Owners shall comply in full with all the terms and conditions of this Charter Party.
- (b) Charterers always to have the right of first refusal to buy the Vessel.
- (c) Any new Owner always to be approved by Charterers, such approval shall not be unreasonably withheld.

**2. Dry-dock**

Charterers have the obligation to dry-dock the Vessel and/or to pass all surveys strictly in accordance with the rules and regulations of Vessel's Class and flag including Special Survey and Dry-dock always unextended at Charterers' cost and expenses.

**3. Bunker Clause**

Charterers warrant that all bunkers shall be of a quality complying 380 CST with ISO 8217 RMG 35 and with its specification for marine fuels as amended from time to time.

**4. Charterers' Liabilities**

Charterers hereby indemnify Owners from and against any all liabilities, claims, losses, damage, costs or expenses suffered or incurred, against Owners arising out of Charterers' negligence or failure to comply with the requirements of any government, including Federal, State or Municipal or other division or authorities.

**5. Oil Pollution**

Charterers warrant that the Vessel shall have a valid P&I insurance against liability for pollution, including ITOPF/CLC obligations for an amount not less than USD One (1) billion per incident, provided, however, that if the P&I Club in which the Vessel entered and/or the underwriter(s) cease to provide Pollution Liability Coverage to such Club's Members in the amount(s) as just described, then Charterers shall promptly obtain Pollution Liability Cover (both basis P&I Clubs and Additional Insurance) in the highest amount(s) then made available by any first class underwriter.

**6. Risks and Insurance of the Vessel**

- (a) For the purpose of this Charter, "Total Loss" has the meaning given to it in Part II, "Compulsory Acquisition" has the meaning given to it in Clause 25 above and "Major Casualty" means a casualty to the Vessel or incident (other than a Total Loss) in respect of which the claim or aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds Five Hundred Thousand United States Dollars (US\$500,000) or the equivalents in any other currency.



- (b) The Vessel shall throughout the term of this Charter be in every respect at the risk of the Charterers who shall bear all risks howsoever arising whether of navigation operation or maintenance of the Vessel or otherwise.
- (c) In addition to the insurances referred to in Clause 13 and in this Clause, the Owners shall be entitled to effect and maintain for its own benefit and its own cost, innocent Owners' interest insurance for an amount to be determined by Owners in Owners' sole discretion and, for the benefit of any mortgagee or mortgagees pursuant to mortgagees indemnity insurance.
- (d) The Charterers undertake throughout the term of this Charter, without prejudice to their obligation under Clause 13 above:
  - (i) to effect and maintain sufficient insurance on and over the Vessel in respect of hull, machinery and equipment, marine and war risks (including excess risks), protection and indemnity risks, FD and D, and oil pollution liability (if appropriate) upon such terms as shall from time to time be approved in writing by the Owners and in such amounts in United States Dollars from time to time as are set out in the schedule to these Additional Clauses in the case of hull, machinery and equipment, marine and war risks and excess risks and in the case of protection and indemnity risks and oil pollution liability, for the maximum amount obtainable from the protection and indemnity association in which the Vessel is from time to time entered;
  - (ii) without prejudice to the provisions of sub-clause (i) above, Charterers shall procure and arrange at their own expense Hull and Machinery and war risks insurances under terms not less favorable than those of Institute Time Clauses Hulls Edition 1.10.83 and/or as amended from time to time and Institute War and Strike Clauses Hull Time addition 1.10.83 with deductible not exceeding USD225,000. Charterers shall in addition procure and maintain at their own expense full entry of the Vessel for oil pollution liabilities at the maximum amount available on the insurance market (presently such amount is equal to One Thousand Million United States Dollars (US\$1,000,000,000) and to arrange and pay for extra cover required by Protection and Indemnity Associations for voyagers to any other country;
  - (iii) to effect the insurances aforesaid through first class insurance companies, underwriters and war risks associations operating in the London, American or other Insurance markets and Protection and Indemnity Associations which are members of the International Group of Protection and Indemnity Associations;
  - (iv) to renew the insurances aforesaid at least fourteen (14) days before the relevant policies or contracts expire and to procure that the said brokers, and any war risks and Protection and Indemnity Association with which such insurances are effected, shall promptly confirm in writing to the Owners the terms and conditions of such renewal as and when the same occurs;
  - (v) punctually to pay all premiums, calls, contributions or other sums in respect of the insurances and to produce all relevant receipts when so required by the Owners;
  - (vi) to procure that a Loss Payable Clause in such form as may be required by the Owners is endorsed upon all slips, cover notes, policies, certificates of entry or other instruments of insurance issued or to be issued in respect of the insurance of the Vessel;

- (vii) to procure that all such instruments of insurance referred to sub-clause (iv) above are as effected through the said brokers shall be deposited with the said brokers, and that such brokers shall furnish the Owners with pro forma copies and a Letter or Letters of Undertaking in such form as may be required by the Owners,
  - (viii) to procure that the Protection and Indemnity and/or War Risks Associations in which the Vessel is entered shall furnish the Owners with a certified copy of the Certificate of Entry for the Vessel and a Letter or Letters of Undertaking in the Protection & Indemnity Association's standard wording;
  - (ix) to apply all such sums receivable in respect of the insurances of the Vessel as are paid to Charterers in accordance with the provisions of this Charter for the purpose of making good the loss and fully repairing the damage in respect of which such sums have been received;
  - (x) not to alter any of the terms of any of the instruments of insurance referred to in sub-clause (vi) above which have been approved by the Owners and not to make, do, consent or agree to any act or omission which would or might render any such instrument of insurance invalid, void, voidable or unenforceable or render any sum payable thereunder repayable in whole or in part;
  - (xi) not without the prior written consent of the Owners to settle, compromise or abandon any claim for Total Loss or a Major Casualty
- (e) Unless and until a Termination Event shall occur whereupon all insurance recoveries shall be payable to the Owners, any sums receivable in respect of the insurances effected by the Charterers pursuant to clause 13 above and this Clause shall be payable as follows:
- (xii) there shall be paid to the Owners all sums receivable in respect of Total loss and, unless otherwise authorized by the Owners, any and every sum receivable in respect of a Major casualty, but so that the insurance moneys received by the Owners in respect of any such Major Casualty shall be paid over to the Charterers upon the Charterers furnishing evidence to Owners' underwriter's satisfaction that all loss and damage resulting from the casualty has been properly made good and repaired, and that all repair accounts and other liabilities whatsoever in connection with the Casualty have been fully paid and discharged by the Charterers, provided that the insurers may with the consent of the Owners make payment on account of repairs in the course of their being effected;
  - (xiii) all other sums receivable in respect of the insurances shall be paid to the Charterers and shall be applied by them for the purpose of making good the loss and fully repairing all damage in respect of which the insurance moneys have been received.
- (f) The provisions of Clause 13 and of this Clause shall not apply to the proceeds of any additional insurance cover effected by the Owners and/or the Charterers for their own account and benefit, provided that such cover shall only be effected if and to the extent that the insurances effected by the Charterers pursuant to Clause 13 and to this Clause permit.

- (g) In the event that at any time during the term of this Charter, the Charterers shall not have paid the premiums in respect of the insurance cover required by this Charter, the Owners shall notify the Charterers requiring rectification thereof but in any event shall be at liberty to pay such premiums or to effect, at the Charterers' expense, such additional or alternative insurance as the Owners may in their discretion determine to be necessary or describe to protect the interests of the Owners under this Charter (and approved mortgagees, if any), and the costs thereof shall be payable by the Charterers on demand and shall be recoverable as additional hire hereunder.

**7. Interest**

The Charterers shall pay on demand by the Owners interest on any sum due under this Charter and unpaid from and including the date which it fell due for payment (subject as provided below) until the date of actual payment (as well after as before judgement) at the rate per annum determined by the Owners and certified by them to the Charterers to be equal to one month London Interbank Offer Rate (LIBOR) plus 2 per cent (2%) per annum, provided always that where the Owners pay or incur any such costs, charges, expenses, claims, liabilities, losses, penalties, fines, duties, fees, taxes or other moneys as are stated in the Charter to be payable by the Charterers to the Owners or recoverable by the Owners from the Charterers or in respect of which the Charterers may be liable to indemnify Owners, Interest shall accrue thereon at the rate specified above from and including the date on which such cost, charge, expenses, claim, liability, loss, penalty, fine, duty, fee tax or other money is paid or incurred by the Owners. Any such interest which is not paid when due, shall be compounded at the end of such periods as the Owners may determine for so long as it remains unpaid.

All payments of Interest to be made under the Charter shall accrue from day to day and be calculated on the basis of the actual number of days elapsed and a three hundred and sixty five (365) day year.

**8. Charterers' Covenants**

The Charterers' Covenant with the Owners undertake throughout the term of this Charter that:

- (a) they will provide the Owners with such information concerning the Vessel as the Owners may from time to time reasonable require including (without limitation) information regarding the employment, condition, geographical position and crewing of the Vessel;
- (b) they will, forthwith upon becoming aware of the same, notify the Owners in writing of any termination event (or event of which they are aware which, with the giving of notice and/or lapse of time would constitute a termination event);
- (c) they will obtain and promptly renew from time to time and will whenever so required, promptly furnish certified copies to the Owners of all such authorizations, approvals, consents, and licenses (if any) as may be required under any applicable law or regulation to enable the Charterers to perform their obligations under this Charter or required for the validity or enforceability of this Charter, and the Charterers shall in all material respects comply with the terms of the same;

- (d) they will – (i) at any time during this Charter, subject to a limit of one (1) month in every calendar year, allow one representative of Owners, and (ii) during the last voyage prior to Vessel's dry-dock or special survey (laden voyage), two representatives to be allowed on board (iii) during the last round voyage (ballast and laden legs) before redelivery of the Vessel allow up to two (2) representatives of the Owners to attend on board the Vessel for general observation and inspection purposes always at the risk and expense of the Owners provided that such observation and inspection shall not interfere with the ordinary work on board and the trading of the Vessel and subject to signing Charterers' P&I Club Indemnity Forms which shall be presented to them for signature upon boarding;
- (e) they will notify the Owners forthwith by telex, telefax or e-mail previously provided of:
  - (1) any accident to the Vessel or incident which is or is likely to be a Major Casualty;
  - (2) any occurrence resulting in the Vessel becoming or being likely to become a Total Loss;
  - (3) any requirement or recommendation made by an insurer or classification society, or by any competent authority, which is not complied with within any time limit imposed by such insurer, classification society or authority;
  - (4) any arrest of the Vessel, or the exercise or purported exercise of any lien on the Vessel or any requisition of the Vessel for hire.
- (f) they will procure that at all times the Vessel is managed only by the Charterers or Charterers' associated company or such managers as shall be approved in writing by the Owners, such approval not to be unreasonably withheld. In the event Charterers decide to appoint a third-party manager, then Charterers shall invite Owners or their nominees to submit a quotation for the Management of the Vessel;
- (g) they will maintain the Vessel at all times in accordance with the requirements of (INSERT: Club) and to a standard not less than that to which the Charterers maintain the other vessels owned by the Charterers or their associated companies;
- (h) that the Vessel shall remain the property of the Owners and that the Charterers shall have no rights or interest therein otherwise than as Charterers hereunder and that the Charterers shall at no time do or permit to be done any act or thing which might prejudice the rights of the Owners in and to the Vessel.

#### 9. Indemnity

The Charterers shall pay to the Owners on demand, and indemnity and keep the Owners indemnified against all costs, charges, expenses, claims proceedings (whether civil or criminal), liabilities, losses, penalties, fines, duties and fees (including, but not limited to reasonable, legal fees and expenses on a full indemnity basis provided that Owners are the prevailing party on any such claim generating such legal fees and expenses) and taxes thereon suffered or incurred by the Owners arising directly or indirectly in any manner out of the possession, management control, chartering, sub-chartering, navigation, victualling, fuelling, manning, supply, insurance, use, operation, return, redelivery, laying up or storage of or loss of or damage of the Vessel or any other vessel in the actual or disponent ownership of the Charterers or any part thereof or from any maintenance, service, modification, repair, classification or overhaul of, or otherwise in connection with the Vessel

or such other vessel or any part thereof or any cargo carried therein, and regardless of when the same shall arise and whether or not the Vessel or other vessel or the relevant part thereof is in the possession or control of the Charterers; the indemnities contained in this Clause 10, and each other indemnity contained in this Charter shall survive any termination or expiry of this Charter for a period of twelve (12) months from the date thereof and any breach of, or repudiation or alleged repudiation by the Charterers or the Owners of this Charter. Charterers will cover all taxes including US freight taxes, if any, but excluding taxes on income from Vessel's trading.

**10. Termination Events**

Each of the following events shall be a "Termination Event" for the purposes of this Charter:

- (a) the Charterers fail to make any payment on its due date or in respect of money payable on demand (unless otherwise specifically provided) within seven (7) days from the date of such demand;
- (b) the Charterers are in breach of any one or more of the provisions of this Charter relation to the insurance of the Vessel;
- (c) the Charterers fail to comply with any provision of this Charter other than those referred to in sub-clauses (a) and (b) above and in case of any such default which the Owners consider capable of remedy, such default continues for a period of fourteen (14) days after the Owners, by notice to the Charterers, require the same to be remedied;
- (d) any license, approval, consent authorization or registration at any time necessary for the validity, enforceability, or admissibility in evidence of this Charter, or for the Charterers to comply with their obligations hereunder or in connection with the ownership or operation of the Vessel is revoked, withheld or expires, or is modified in what the Owners consider a material respect;
- (e) the Vessel becomes a Total Loss;
- (f) a petition is filed, or an order made, or an effective resolution passed, for the compulsory or voluntary winding-up or dissolution of the Charterers (other than the purposes of amalgamation or reconstruction in respect of which the prior written approval shall not be unreasonably withheld) or any proceedings analogous to winding-up proceedings are begun in any jurisdiction in relation to the Charterers, or if the Charterers suspend payment of, or are unable to or admit inability to pay, their debts as they fall due or make any special arrangement or composition with their creditors generally or any class of their creditors;
- (g) deleted;
- (h) deleted;
- (i) the Vessel is the subject of a Compulsory Acquisition;
- (j) deleted

Each of the events specified in the above-mentioned Clause shall constitute (as the case may be) a repudiatory breach or a breach of condition of this Charter by the Charterers, the occurrence of which will entitle the Owners by notice to the Charterers to terminate the chartering of the Vessel by the Charterers under this Charter, to recover amounts, to claim damages and/or to exercise any other right or remedy to which the Owners may be entitled under this Charter or at law, in equity or otherwise as a consequence of the occurrence of the termination event.

**11. Owners' Rights on a Termination Event**

- (a) If any termination event shall occur, the Owners may thereupon and at any time thereafter at their option take any one or more of the following actions:
  - (i) take all action which the Owners may reasonably consider necessary to cure any such Termination Event and recover from Charterers all liabilities, reasonable costs and expenses or incurred by the Owners in doing so;
  - (ii) by notice to the Charterers terminate the chartering of the Vessel by the Charterers under this Charter, either immediately or on such date as the Owners may specify, whereupon:
    - (A) the Vessel shall no longer be in the possession of the Charterers, in accordance with Owners' instructions, with the consent of the Owners and the Charterers shall promptly redeliver the Vessel to the Owners with all reasonable dispatch in the manner and in the condition governing redelivery as specified under this Charter, and
    - (B) the Owners shall be entitled but not bound (and not without prejudice to the Charterers' obligation under sub-clause (A) above to retake possession of the Vessel wherever found, irrespective of whether the Charterers, any sub-Charterer or any other person may be in possession of the Vessel without being bound to give any prior notice or take any legal process and without liability to the part of the Owners, and the Charterers hereby authorize the Owners, for that purpose, to enter upon any premises where the Vessel may be located.
- (b) If the Owners give notice pursuant to sub-clause (a) above to terminate the chartering of the Vessel by the Charterers, the Charterers shall forthwith pay to the Owners all sums of money whether of hire or otherwise due and payable but unpaid, this Charter upon which the Charterers' obligation to pay hire shall cease and the Vessel shall be redelivered to the Owners in accordance with this Charter Party.
- (c) At any time after giving notice of termination in accordance with sub-clause (a) above, the Owners shall be entitled (but not bound) to sell the Vessel, free of this Charter and any right or claim of whatsoever nature of the Charterers whether under this Charter or otherwise and free of any other charter or other engagement concerning her, for such price and on such terms and conditions as they may in their absolute discretion think fit.
- (d) Termination of the chartering of the Vessel and/or repossession of the Vessel by the Owners shall not relieve the Charterers from any of their obligations under this Charter, and Charterers shall continue to comply with their obligations until such time as the Owners have unconditionally received all amounts due from the Charterers under this Clause.



- (e) Owners' right on a Termination Event always subject to grace period notices as per Part II Clause 28 (a)(i)(ii)(iii).

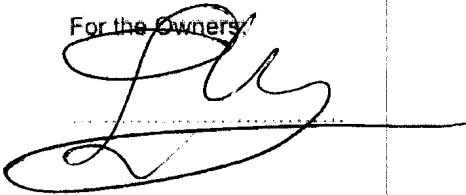
**12. Contradiction Clause**

If there happens to be a discrepancy between the "Barecon 01" as mutually agreed and amended by Owners and Charterers and the Owners' additional terms, then additional terms to always supersede the Charter Party.

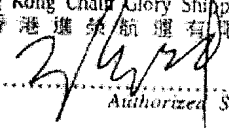
**13. Guarantee Works**

Owner's to provide a Letter of Undertaking from Mssrs Seacrest (Original Owners of the Vessel) that they will honor/service any guarantee claims/requests back to back with the original shipbuilding contract.

For the Owners:



For the Charterers:

For and on behalf of  
Hong Kong Chair Glory Shipping Limited  
香港耀榮航運有限公司  
  
Authorized Signature(s)